LNF & IHCIF Calculations Illustration

- FORT PECK in Billings area -

Given Data

- 9,396 = 1998 user count
- $2,980 = National average cost per person (not including wrap-around costs)
- 50% = % Expenditures on purchased services, 50% = % expenditures in-house
- 93.3% = Cost index for purchasing health care in this geographic area
- 103.6% = Size cost index for in-house costs due to small or large size
- 103.9% = Billings area cost index for health status above or below average

Cost Adjustment Calculations

- $1,385 per person for purchased services = 50% * 93.3% * $2,980
- $1,549 per person for in-house services = 50% * 103.6% * $2,980
- $2,934 per person total = $1,385 (purchase) + $1,549 (in-house)
- **$3,049 per person total** adjusted for health status = $2,934 * 103.9%
- **$2,304 per person net cost** = $3,049 - $745 Other resources (M&M&PI)

Existing Expenditures (for 9,396 users excluding wrap-around and collections)

- $1,240 per person = local IHS allowance (excludes $ for wrap-around)
- $341 per person = expenditures elsewhere in Billings area on behalf of area users
- $54 per person = expenditures elsewhere in IHS on behalf of IHS users
- **$1,635 per person for OU users** = $1,240 + $341 + $54

LNF Calculation

- **53.6% Gross LNF** = $1,635 (expenditures) / $3,049 total cost (ignoring Medicare, Medicaid, PI spending on behalf of OU users)
- **71.0% Net LNF** = $1,635 / $2,304 net cost ($3,049 - $745 other)

IHCIF Allocation

- $0 = $ to raise LNF% from 71.0% to 60%
- $258,040,100 = aggregate $ to raise all locations to 60%
- 3.488% IHCIF fraction = $9,000,000 fund / $258,040,100 needed
- **$0 Allocation** = $0 needed for 60% * 3.488% IHCIF fraction

FORT PECK Unmet Needs

- **$21,646,602 Net Total Need** = 9,396 users * $2,304 net cost
- **$6,288,266 Net Unmet Need** = (100% - 71.0% LNF) * 9,396 users * $2,304 net cost